

Remarks on the Nomination of Jacob J. "Jack" Lew To Be Director of the Office of Management and Budget

July 13, 2010

Good afternoon. Before I begin, I just want to note a breakthrough that we've had on our efforts to pass the most comprehensive reform of Wall Street since the Great Depression. Three Republican Senators have put politics and partisanship aside to support this reform, and I'm grateful for their decision, as well as all the Democrats who've worked so hard to make this reform a reality, particularly Chairman Dodd and Chairman Barney Frank.

What members of both parties realize is that we can't allow a financial crisis like this one that we just went through to happen again. This reform will prevent that from happening. It will prevent a financial crisis like this from happening again by protecting consumers against the unfair practices of credit card companies and mortgage lenders. It will ensure that taxpayers are never again on the hook for Wall Street's mistakes. And it will end an era of irresponsibility that led to the loss of 8 million jobs and trillions of dollars of wealth. This reform is good for families, it's good for businesses, it's good for the entire economy, and I urge the Senate to act quickly so that I can sign it into law next week.

Now, as we finish our work on Wall Street reform, we're also mindful that we've got significant work to do when it comes to reforming our Government and reducing our deficit. As part of that work, today I am proud to announce the nomination of Jack Lew to be our Nation's next Director of Office of Management and Budget, or OMB.

Before telling you a little bit about Jack, I just want to say a few words about the man that he will be replacing at the helm of OMB, and that's Mr. Peter Orszag. A few weeks ago, Peter told me that after more than a year and a half of tireless, around-the-clock service in what is one of the toughest jobs around, Peter was ready to move on to a job that offers a little more sanity and fewer line items.

Putting a budget together for the entire Federal Government is an enormously difficult task, no matter what the state of the economy, but Peter's job was even tougher. When we walked through the doors of the White House, we not only faced the worst economic crisis since the Great Depression, we also faced a \$1.3 trillion deficit, a deficit that was caused both by the recession and nearly a decade of not paying for key policies and programs.

In light of these challenges, Peter's accomplishments as Director of OMB are even more impressive. He was instrumental in designing and helping us pass an economic plan that prevented a second depression, a plan that is slowly but surely moving us in the right direction again. Thanks to his innovative ideas and gritty determination, we passed a health insurance reform plan that is not only paid for but will significantly lower the cost of health care as well as our deficit over the next several decades. In fact, a recent report by independent experts say this reform will cut the deficit even more than the Congressional Budget Office first estimated.

Peter has also helped us single out more than a hundred programs for elimination that have outlived their purposes and made hard decisions that will save tens of billions of dollars. And he helped draft a budget for next year that freezes all discretionary Government spending outside of national security for 3 years, something that was never enacted in the prior administration. It's a budget that would reduce the deficit by more than \$1 trillion over the

next decade, which is more than any other budget in a decade. And I expect that freeze to become a reality next year.

Now, Peter also shares my view that the long-running debate between big government and small government misses the point; it isn't relevant to today's challenges. The real debate is about how we make government smarter, more effective, and more efficient in the 21st century. It's easy for any institution to get in the habit of doing things the way they've always been done. We in Government can't afford that habit, not only because it wastes taxpayer dollars, but because it erodes people's belief that their Government can actually work for them.

Over the last year and a half, we've been able to employ new technology to make Government more responsive and customer-friendly, the same way that so many businesses have used technology to make better products and provide better services.

As a result of these efforts, today we're creating a single electronic medical record for our men and women in uniform that will follow them from the day they enlist until the day they are laid to rest. We're cutting down the time that it takes to get a patent approved by cutting out unnecessary paperwork and modernizing the process. We're working to give people the chance to go online and book an appointment at the Social Security office or check the status of their citizenship application. We're cutting waste by getting rid of Federal office space that hasn't been used in years. We're closing the IT gap in the Federal Government and have created mobile apps that provide nutrition information for your favorite foods or wait times at the airport. And the examples go on and on.

Now, inertia is a powerful thing. Constituencies grow around every agency and department with a vested interest in doing things the same way. And that's why we have to keep on challenging every aspect of Government to rethink its core mission, to make sure we're pursuing that mission as effectively and efficiently as possible, and to ask if that mission is better achieved by partnering with the civic, faith, and private sector communities.

This is a mission that requires some special leadership. And Jack Lew is somebody who has proven himself already equal to this extraordinary task.

You know, if there was a hall of fame for Budget Directors, then Jack Lew surely would have earned a place for his service in that role under President Clinton, when he helped balance the Federal budget after years of deficits. When Jack left that post at the end of the Clinton administration, he handed the next administration a record \$236 billion budget surplus. The day I took office, 8 years later, America faced a record \$1.3 trillion deficit.

Jack's challenge over the next few years is to use his extraordinary skill and experience to cut down that deficit and put our Nation back on a fiscally responsible path. And I have the utmost faith in his ability to achieve this goal as a central member of our economic team.

Jack is the only Budget Director in history to preside over a budget surplus for three consecutive years. When Jack was Deputy Director at OMB, he was part of the team that reached a bipartisan agreement to balance the budget for the first time in decades. He was a principal domestic policy adviser to Tip O'Neill and worked with him on the bipartisan agreement to reform Social Security in the 1980s. He was executive vice president at New York University, where he oversaw budget and finances. And for the past year and a half, he's been successful in overseeing the State Department's extremely complex and challenging budget as Deputy Secretary of State for Management and Resources. I was actually worried that Hillary would not let him go. I had to trade a number of number-one draft picks—[laughter]—to get Jack back at OMB.

But I am grateful that Hillary agreed to have Jack leave, and I'm even more thrilled that Jack agreed to take on this challenge at this moment. Jack is going to be an outstanding OMB Director. We know it because he's been one before. At a time when so many families are tightening their belts, he's going to make sure that the Government continues to tighten its own. He's going to do this while making Government more efficient, more responsive to the people it serves.

And, Jack, I am looking forward to working with you on your critical mission. Thank you so much. And thanks to Jack's family, who has been putting up with him in multiple, very difficult jobs over and over again. We appreciate his service to our country and we appreciate yours as well.

Thank you, everybody.

NOTE: The President spoke at 12:18 p.m. in the Diplomatic Reception Room at the White House.

Categories: Appointments and Nominations : Management and Budget, Office of, Director, remarks.

Locations: Washington, DC.

Names: Clinton, Hillary Rodham; Clinton, William J.; Dodd, Christopher J.; Frank, Barney; Lew, Jacob J. "Jack"; Orszag, Peter R.

Subjects: Budget, Federal : Congressional spending restraint; Budget, Federal : Deficit and national debt; Budget, Federal : Fiscal year 2011 budget; Budget, Federal : Government programs, spending reductions; Business and industry : Credit cards, regulations and consumer protections; Business and industry : Home loan industry; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Financial regulations, modernization efforts; Economy, national : Recession, effects; Employment and unemployment : Job losses; Government organization and employees : Efficiency and modernization, improvement efforts; Government organization and employees : Federal buildings, disposal of to cut operating costs and improve energy efficiency; Health and medical care : Patient Protection and Affordable Care Act; Homeland Security, Department of : Immigration and citizenship application processing, improvement efforts; Management and Budget, Office of : Director; Management and Budget, Office of : Director-designate; Patent and Trademark Office, U.S.; Social Security Administration : Innovation and modernization; State, Department of : Deputy Secretary for Management and Resources; State, Department of : Secretary; Veterans : Health and administrative records, information technology.

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